

<p>PRODUCT DISCLOSURE SHEET (PDS)</p> <p>(Read this Product Disclosure Sheet before your business/company decides to take up the Industrial Hire Purchase-i. Be sure to also read the general terms and conditions.)</p>	<p>HSBC Amanah Malaysia Berhad</p> <p>Industrial Hire Purchase-i (“IHP-i”)</p> <p>Date : [dd/mm/yyyy]</p>
<p>1. What is this product about?</p>	
<p>IHP-i is a short to medium term financing to finance capital assets which is not listed in the first schedule of the Hire Purchase Act 1967. IHP-i is calculated on a fixed rate basis and the asset financed must be used for purposes permissible by Shariah and all applicable laws.</p>	
<p>2. What is the Shariah concept applicable?</p>	
<ul style="list-style-type: none"> • The Shariah Concept applicable is leasing which is followed with a sale or Al-Ijarah Thumma Al-Bai (AITAB). • This means hiring of an asset with an option to purchase thereafter. The Bank as owner of the assets transfers the right to use the asset to the customer (hirer) at an agreed predetermined rental over an agreed period of time. At the end of period, the hirer has an option to purchase the asset from the owner at a nominal amount. • The Customer based on the Shariah principle of promise (wa`d), undertakes to the Bank that on acquisition of the asset by the Bank, it shall hire the asset under a Hire Purchase-i Contract and take delivery of the asset. If there is a breach of the Customer’s wa`d, the Customer shall be liable to the Bank for the costs of repossession of and costs incurred in the sale of the asset by the Bank to a third party plus the difference between the sale price of the asset to the third party and the outstanding principal, i.e. the purchase price of the asset paid by the Bank which remains unpaid by the Customer and currently outstanding less any rebate (if applicable). • The Bank based on the Shariah principle of promise (wa`d), undertakes to the Customer that it will sell the asset to the Customer provided the Customer’s undertaking to purchase the asset has not been invoked: <ul style="list-style-type: none"> (a) at the unpaid outstanding principal, i.e. the purchase price of the asset paid by the Bank which remains unpaid by the Customer and currently outstanding less any rebate (if applicable) plus all other sums payable under the relevant Hire Purchase-i Contract if the Customer exercises the Purchase Option early; or (b) at a nominal charge at the end of the Term of Hire. • If the Bank breaches its undertaking herein, the Bank shall be liable to the Customer for any losses resulting in a restricted ability to deal with the title of the asset and as agreed by the parties. 	
<p><u>Roles, Responsibilities, Rights and Liabilities of the Contracting Parties</u></p>	
<ul style="list-style-type: none"> • The rights and liabilities arising from ownership of the leased asset shall be assumed by the owner while the rights and liabilities arising from the usage of the leased asset shall be assumed by the hirer. 	

<p>The owner and the hirer may mutually agree on who will bear the cost of maintenance and takaful protection of the leased asset.</p> <ul style="list-style-type: none"> • The transfer of the title to the asset at the end of the term of hire is subject to the hirer paying a nominal charge to the owner and executing an Asset Disposal Agreement. • The hirer acknowledges that it shall be liable for any loss, damage or impairment of the asset unless it proves there is no misconduct, negligence or breach of any terms on its part that resulted in the loss or impairment of the asset. • In the event the asset is destroyed or substantially damaged beyond economic repair, indefinitely detained, distrained, confiscated, compulsory required or lost or damaged for any reason whatsoever beyond the control of the owner and/or the hirer and which is not within the usual all-risks and force majeure takaful coverage or insurance available in the market, the owner shall not claim the outstanding hire rentals from the hirer.
<p>3. What do I get from this product?</p>
<ul style="list-style-type: none"> • Asset price: RM [xx] • Financing amount: RM [xx] • Margin of financing: [xx]% • Financing tenure: [xx] years • Profit rate: [xx]%
<p>4. What are my obligations?</p>
<ul style="list-style-type: none"> • Fixed monthly rental: RM[xx] • Prepaid rental: RM[xx] equivalent to [xx] month's rental. This will offset the last [xx] month's rental • The total amount your business/company must pay including the amount financed is: RM[xx]
<p>5. What are the fees and charges I have to pay?</p>
<ul style="list-style-type: none"> • Stamp Duties As per Stamp Act 1949 (Revised 1989) and subject to any stamp duty exemption or remission orders, if any, as may be granted from time to time. • Legal expenses: [RM to indicate] • Other fees and charges: [RM to indicate other fixed fees/charges associated with financing] <p>Where tax is chargeable on any of the above fees and charges, the applicable tax sum shall be imposed in addition to such fees and charges, and shall be payable to HSBC Amanah Malaysia Berhad.</p> <p>Please refer to our schedule of tariff and charges at https://www.business.hsbcamanah.com.my/en-gb/my-amh/generic/rates-tariff-and-charges for full list of charges.</p>
<p>6. What if I fail to fulfil my obligations?</p>

- Compensation charges:

During financing tenure	<p>1% p.a. on the overdue instalment</p> <p>Example: overdue instalment amount in arrears x 1% x n/365</p> <p>(n= number of days overdue)</p> <p>Example: If the customer's overdue instalment amount in arrears is RM100,000 and the number of days overdue is 20 days, the computation of compensation charge is as follows:</p> <p>$RM100,000 \times 1\% \times 20/365 = RM54.79$</p>
After expiry of financing tenure	<p>At a rate not exceeding the prevailing IIMM-rate on the outstanding amount financed (after the tenure).</p> <p>(IIMM-rate is the daily weighted average overnight rate for Islamic financial instruments quoted in Malaysia's Islamic Interbank Money Market).</p> <p>Example: outstanding principal amount x IIMM-rate x n/365</p> <p>(n= number of days overdue)</p> <p>Example: If the customer's overdue instalment amount in arrears is RM100,000; the IIMM rate is 2%; the number of days overdue is 20 days, the computation of compensation charge is as follows:</p> <p>$RM100,000 \times 2\% \times 20/365 = RM109.59$</p>

- Right to set-off:

- The Bank have the right to set-off any credit balance in your account(s) maintained with us, at any time with a notice against any outstanding balance in this financing account.

- Repossession of equipment in the event of default:

- If there are circumstances likely to lead to events of default, among other things due to irregularities in your business/company financial affairs or your business/company inability to meet your payment obligations to us, it is advised that your business/company contact us for an early appraisal of your commitment.
- In the event of default the Bank may without prejudice to any entitled rights and remedies, determine the Facility and demand payment for all sums due. The bank may invoke on recovery process which shall include repossession of the asset

- You shall provide a wa`d to purchase the leased asset which shall be enforced on the occurrence of the following:

(a) an event of default; or

(b) breach of the terms and conditions specified in the wa`d.

- In such a case, in the event you failed to perform the wa`d, the Bank as owner may repossess the asset

and thereafter sell the asset to any third party where the proceeds of sale shall be applied towards all costs charges and expenses incurred and payments made by the Bank under the provisions of all or any of the Security Documents and in or towards any unpaid amount accruing and of all other moneys due and remaining unpaid under any or all the Security Documents.

- If there is any surplus after the proceeds of sale have been applied as above, such surplus, if any, shall be paid to you and/or such persons entitled thereto. If there is any deficiency, you shall promptly pay the difference between the amount due under the wa`d and the amount so realised to the Bank.

7. What if I fully settle the financing before its maturity?

- One month written notice is required.
- You shall pay to the Bank the unpaid outstanding principal, i.e. the purchase price of the asset paid by the Bank which remains unpaid and is outstanding less any rebate (if applicable).
- The bank will not be collecting a portion of the bank's future profit that the bank could have collected without the occurrence of an early settlement.
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8. Do I need any Takaful / insurance coverage?

Hirer is to ensure that the hired assets are adequately covered for comprehensive "All Risk" from Bank's approved list of takaful/insurance companies, for the full market value or replacement cost, whichever is higher during the entire tenure. Coverage by insurance companies is only allowed in situations where there is no adequate takaful coverage.

[RM to indicate Takaful / insurance company and type of Takaful / insurance coverage required.]

9. What are the major risks?

- Profit rate is fixed for the whole tenure, therefore not subject to fluctuations and there will not be any change in the fixed monthly rental.
- If your business/company has problems meeting your financing obligations, contact us early to discuss payment alternatives.

10. What do I need to do if there are changes to my contact details?

It is important that the Bank is informed of any change in your business/company's contact details to ensure that all correspondences reach your business/company in a timely manner. Changes in your business/company's contact details should be formally submitted in writing and duly authorised by authorised signatories. Please contact your Relationship Manager for further clarification.

11. Where can I get assistance and redress?

- If you have difficulties in making monthly payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:

[RM to fill up contact details: name, address, contact number and e-mail address]

- If you wish to complain on the products or services provided by us, you may contact us at:

HSBC Amanah Malaysia Berhad
Customer Experience Department,
Level 18, North Tower, Menara HSBC,
2 Leboh Ampang,
50100 Kuala Lumpur,
Malaysia.
Fax: +603-2179 1111 (9.00AM to 4.00PM – Monday to Friday)
E-mail: complaints@hsbc.com.my

- If your query or complain is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur.
Tel : 1-300-88-5465
Fax : 03-21741515
E-mail : bnmtelelink@bnm.gov.my

- We wish to also refer you to Agensi Kaunseling and Pengurusan Kredit (“AKPK”) for further assistance on your restructuring / rescheduling application. AKPK provides the Small Debt Resolution Scheme (SDRS) services where you would be able to seek help and advice on debt restructuring services as well as financial education and advisory. Should you be interested to receive advisory from AKPK, please call the POWER! AKPK Infoline at 03-2616 7766 for an appointment or visit your nearest AKPK branch office or counselling office.

12. Where can I get further information?

Please obtain additional information on IHP-i from

[name, address, e-mail address and contact number of RM] or visit our website at

<https://www.business.hsbcamanah.com.my/en-gb>

13. Other financing products available:

- Commodity Murabahah Financing-i
- Business Premises Smart-i
- Cash Line-i
- Revolving Financing-i

IMPORTANT NOTE:

The facility(ies) may be immediately suspended or terminated and all sums payable on demand in the event your business/company defaults in the payment of any sum due under the facility(ies) whether instalments, profit or otherwise. The asset may be repossessed if your business/company does not keep up with the payments.

The information provided in this disclosure sheet is valid as at [dd/mm/yyyy] [RM to indicate the relevant date]

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[PUBLIC]

